

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 3062 – SB 2986**

February 11, 2012

**SUMMARY OF BILL:** Prohibits any local education agency (LEA) operating a virtual school or virtual education program from exceeding the teacher-pupil ratio for virtual schools established by the State Board of Education (SBE). Requires the time available for learning opportunities in a virtual school or education program to be the same for every student in the program. Requires the LEA to allow students within a virtual school or education program to move at their own pace but requires students to demonstrate mastery, competency, and completion of a course before receiving credit. Requires virtual schools to provide materials and technology access to families with a student enrolled in a virtual school. Specifies that, at a minimum, access to technology for the student means availability of a physical computer lab with a computer, printer, and internet connection at regularly scheduled times. Beginning with the ninth grade class of the 2013-2014 school year, students must complete at least one course required for graduation through online learning. Authorizes an online course taken in grades six through eight to satisfy this requirement. Students may meet this requirement by taking an LEA offered online course, an online dual enrollment course, or through enrollment in a full or part-time virtual school.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – Not Significant**

**Increase Local Expenditures – Exceeds \$13,125,600/Recurring Beginning in  
FY13-14 and Subsequent Fiscal Years\***

**Other Fiscal Impact – The number of LEAs that do not have or will be need to expand computer labs is unknown. The Department of Education estimates that the one-time increase in local expenditures for one computer lab will be \$36,000 for computers, printers, and internet connection. The total increase in one-time local expenditures is not quantifiable but, if needed, will be mandatory.**

Assumptions:

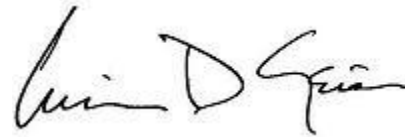
- Based on information provided by the Comptroller of the Treasury and the Department of Education (DOE), virtual learning courses operate on a per seat, per course basis at a cost ranging from \$250 to \$1,500.

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- The DOE estimates that courses range from \$250 to \$600. The Comptroller has previously estimated on other virtual school bills that the cost is from \$600 to \$1,500 per student per course upon start-up.
- A \$600 per seat per course estimate will be used for this fiscal note.
- The DOE estimates that 33 percent of the LEAs will be required to purchase on-line courses.
- There are approximately 66,292 ninth grade students. It is estimated that this number will be higher in the fall of the 2013-2014 school year. DOE estimates that new courses will be purchased for 33 percent of ninth graders (21,876).
- The increase in local government expenditures for current ninth graders will be \$13,125,600 (21,876 x \$600).
- The increase in local government expenditures in FY13-14 will exceed \$13,125,600.
- Some LEAs may need to open or expand existing computer labs as a result of more students taking online courses in an LEA computer lab or taking at least one online course beginning the 2013-2014 school year. It is assumed that this expansion will take place in the fall or spring of the prior year (2012-2013) to prepare for the upcoming school year (2013-2014).
- DOE estimates that one computer lab will increase one-time local expenditures \$36,000 for computers, printers, and an internet connection.
- The number of LEAs that will incur this expense is unknown. The total increase in one-time local government expenditures is not quantifiable.
- Requirements regarding student-teacher ratios and length of learning time will not have a significant fiscal impact on state or local government.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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